

Summary of progress on the national adaptation and emissions reduction plans, January – June 2023

Prepared by the Climate Change Chief Executives Board

August 2023

This document summarises:

Aotearoa New Zealand's climate change goals and the Climate Change Chief Executives Board

- The role of the Board, and a summary of Aotearoa's two key climate change plans (**slide 2**)

Tracking progress against Aotearoa's long-term emissions, budgets, and targets

- Emissions Budgets (**slide 3**)

Tracking the implementation of actions, over the Jan – June 2023 period

- Successes and challenges over this implementation period (**slide 4**)
- National adaptation plan (**slide 5**)
- Emissions reduction plan (**slide 6**)

The Board's response to key risks and opportunities over the next 6 months

- Key actions for the Board to address risks, and advance opportunities (**slide 7**)

Aotearoa New Zealand is implementing two key climate change plans to reach its climate change goals

The Climate Change Chief Executives Board was established to provide oversight of these. The Board:

- **focuses on New Zealand's long-term climate change strategy**, ensuring Aotearoa stays on track to meet its commitments.
- **monitors and reports on the delivery of actions** in the emissions reduction plan (ERP) and national adaptation plan (NAP). It will also advise on the overall effectiveness and future direction of the two plans, and ensure domestic emissions budgets are met.
- **provides advice on how to navigate the path towards Aotearoa New Zealand's long-term climate change goals**, responding to challenges and taking opportunities as they arise. It will work with global and domestic experts, and look across the entire system, to accelerate or remove barriers to climate action as needed.
- **engages with businesses** with ambitious carbon reduction programmes that intersect with government policy.

About emissions reduction plans...

- Aotearoa is using **emissions budgets** to reach its climate change goals: net-zero long-lived gases by 2050 and a 24-47 per cent reduction in biogenic methane by 2050.
- The Government released its **first emissions reduction plan (ERP1)** in May 2022, which sets out how Aotearoa can reduce its emissions to meet the first emissions budget.
- **ERP1 contains 301 actions**, organised in 16 chapters, with a focus on 62 critical actions.

... and national adaptation plans

- The Government released its **first national adaptation plan (NAP1)** in August 2022, which focuses on actions to help New Zealanders adapt to the changing climate and its effects (i.e., adaptation)
- **NAP1 contains 127 actions**, organised in 11 chapters, with a focus on 52 critical actions.

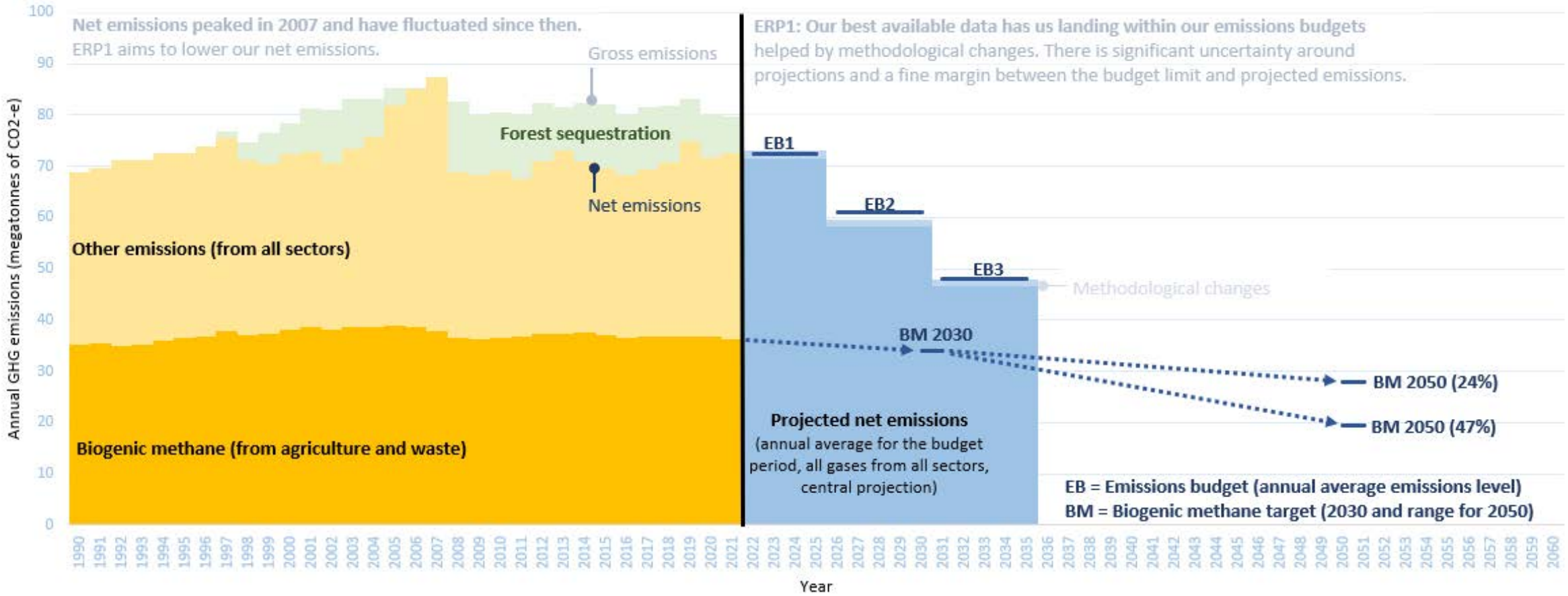
Progress update from the January – June 2023 implementation period



Aotearoa is likely to meet the first emissions budget (EB1)

- **Best estimates indicate that Aotearoa used 24% of EB1 in 2022**, which leaves 76% of the budget available for 2023, 2024, and 2025.
- Emissions projections indicate **Aotearoa is likely to meet EB1 by a small margin**. This is **largely due to methodological changes** (how emissions are measured), which may change in subsequent assessments.
- **Since 2005, New Zealand’s biogenic methane emissions have dropped 6.5%** from a high of 38.8 to 36.3 Mt CO₂-e in 2021.

Aotearoa New Zealand's long term emissions, budgets and targets



Notable implementation successes and challenges over this period

Successes

- \$22.9m of co-investment funding announced for building flood resilience for Westport.
- Higher than expected uptake of low emission vehicles (ZEVs¹ in the light fleet are up 67% Year Ending Mar 2023 vs 2022).
- The first Government Investment in Decarbonising Industry (GIDI) large-emitter² partnership announced – New Zealand’s biggest industrial decarbonisation partnership to date.
- Launch of Te Rautaki Para – the Waste Strategy.

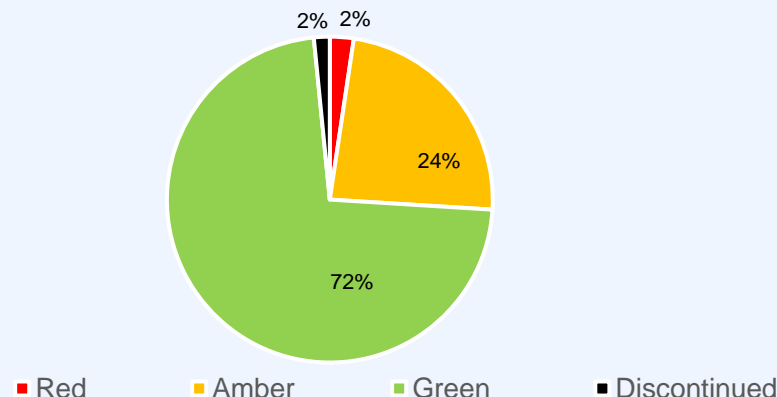
Challenges

- There are no formal indicators to assess whether the government is making enough progress to achieve its climate adaptation goals and what a ‘sufficient’ level of resilience is, or an acceptable level of risk.
- Challenges over this period include decisions on foundational policies, such as agricultural emissions pricing, and the Emissions Trading Scheme review, taking longer than anticipated.
- These foundational policies are paramount as, although our projections show we will likely meet EB1 by a small margin, the abatement needed to achieve future budgets increases significantly.
- Ongoing resourcing challenges (e.g., funding, staff, cultural expertise) + supply chain constraints; including from responding to recent significant weather events.

1. ZEVs = Zero emissions vehicles
2. The top 15 emitters (by company group) in New Zealand are organisations with annual emissions of >78,000t CO₂e, including any subsidiaries. These ‘large emitters’ may need targeted support to achieve and accelerate emissions reductions to ensure New Zealand meets its emissions budgets.

Tracking implementation of actions across NAP1

RAG status of the 127 NAP1 actions



Most actions (72%) across NAP1 are reported as 'on track'.

Using a RAG indicator tool¹, out of 127 actions across NAP1, 3 actions are red, 30 are amber, 92 are green, and 2 have been discontinued.

The large proportion of green actions is partly explained by lengthy delivery timeframes. 63% of actions reporting green have delivery timelines that extend beyond 2025. Adaptation actions have long lead in times built in to enable responsiveness as new information and understanding arises.

Several actions are amber or red due to reprioritisation and/or resource and funding pressures. For example, the North Island 2023 floods and cyclone saw resource and funding shifting to recovery teams across agencies, with some implications on timeframes for delivery of actions.

52 out of the 127 actions in NAP1 have been identified as the most **critical**². Out of these, 35% are either amber, red, or have been discontinued.

16 of these critical actions **are amber** due to resource and capacity constraints (staffing, expertise), funding issues, changes in agency ownership of work, reprioritisation of resources (including pause of a work programme due to the cyclone recovery), and delays to the introduction of legislation.

1 action is red and **1 action is discontinued**. These are due to being unfunded or resource uncertainty.

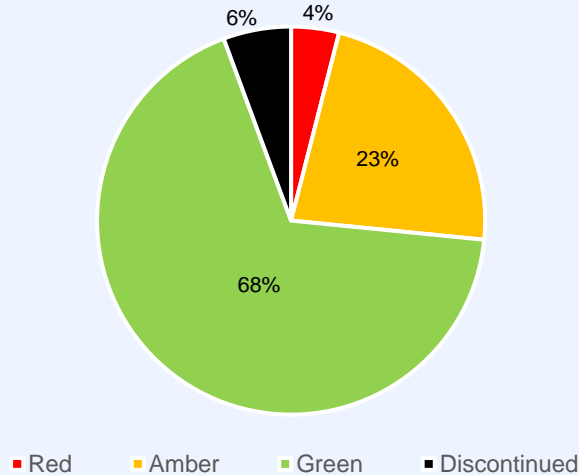
¹ **RAG (red, orange, green) indicator tool**

- = major risks or issues
- = some risks or issues
- = on-track to meet planned delivery

² Critical actions are identified in NAP1, as the actions that will make the most difference and that need to be started on now.

Tracking implementation of actions across ERP1

RAG status of the 301 ERP1 actions



Most actions (68%) across ERP1 are on track.

Using a RAG indicator tool, 12 actions are red, 68 are amber, 204 are green and 17 actions have been discontinued.

6 of the 12 red actions are in the transport sector, signalling potential challenges ahead in meeting transport emissions reduction targets in the long term.

4 of the 12 red actions are in the equitable transitions chapter, although we note that while development of the equitable transitions strategy has slowed, it provides an opportunity to incorporate adaptation as well as mitigation.

62 out of 301 actions in ERP1 have been identified as the most critical¹ in the plan.

48% of these critical actions are either **amber, red, or discontinued**.

23 amber actions are due to resource constraints, awaiting Cabinet and other government decisions, dependencies on delayed work elsewhere, and changes in scope.

2 red actions are experiencing resource constraints and delays due to key decisions not being made within the expected timeframes.

5 discontinued actions are due to transport actions that the Government has halted, incl. the Sustainable Biofuels Obligation, Clean Car Upgrade and Social Leasing Scheme, or unfunded actions, like the Climate Innovation Platforms.

¹ Critical actions were identified by agencies, and endorsed by the Board, as the most material for the delivery of ERP1 based on:

- the action's ability to make a significant contribution towards a sub-sector target, be a low-cost abatement option, an enabler of a future low emissions and climate resilient system, have high inter-reliance with other actions.
- The action being of high significance to Ministers and/or the NZ public, or having significant implications for an equitable transition, or empowering Māori, or with wider environmental co-benefits.

The Board's response to key risks and opportunities over the next 6 months

Key actions to address risks across the programme:

- * **Commission analysis to develop a potential set of adaptation indicators** to start to assess the sufficiency of New Zealand's climate adaptation response
- * **Continue to improve our emissions reduction projections**, including timelier GHG emissions data
- * **Commission advice from agencies** on the most material actions for achieving the outcomes in NAP1, including whether they are adequately resourced, making sufficient progress, and are timely enough
- * **Support the Government** to land key and foundational climate policies over the next 12 months, to avoid delaying progress towards our climate goals
- * **Address resourcing pressures** and delivery challenges across the climate system, by commissioning advice from agencies on their plans to get critical actions back on track

Key opportunities to advance:

- ✓ **Commission advice to better understand public views** and attitudes to climate change, and how policies can be more effective in their implementation and/or better support change
- ✓ **Improve the Board's understanding on the opportunities** (and possible implications) of the increasing intersection of trade and climate policy in international trade and economic cooperation
- ✓ **Undertake further analysis on options to expand our NDC accounting to include non-forest land uses** to drive emissions reductions, biodiversity, and adaptation benefits



Climate Change
CHIEF EXECUTIVES BOARD

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